

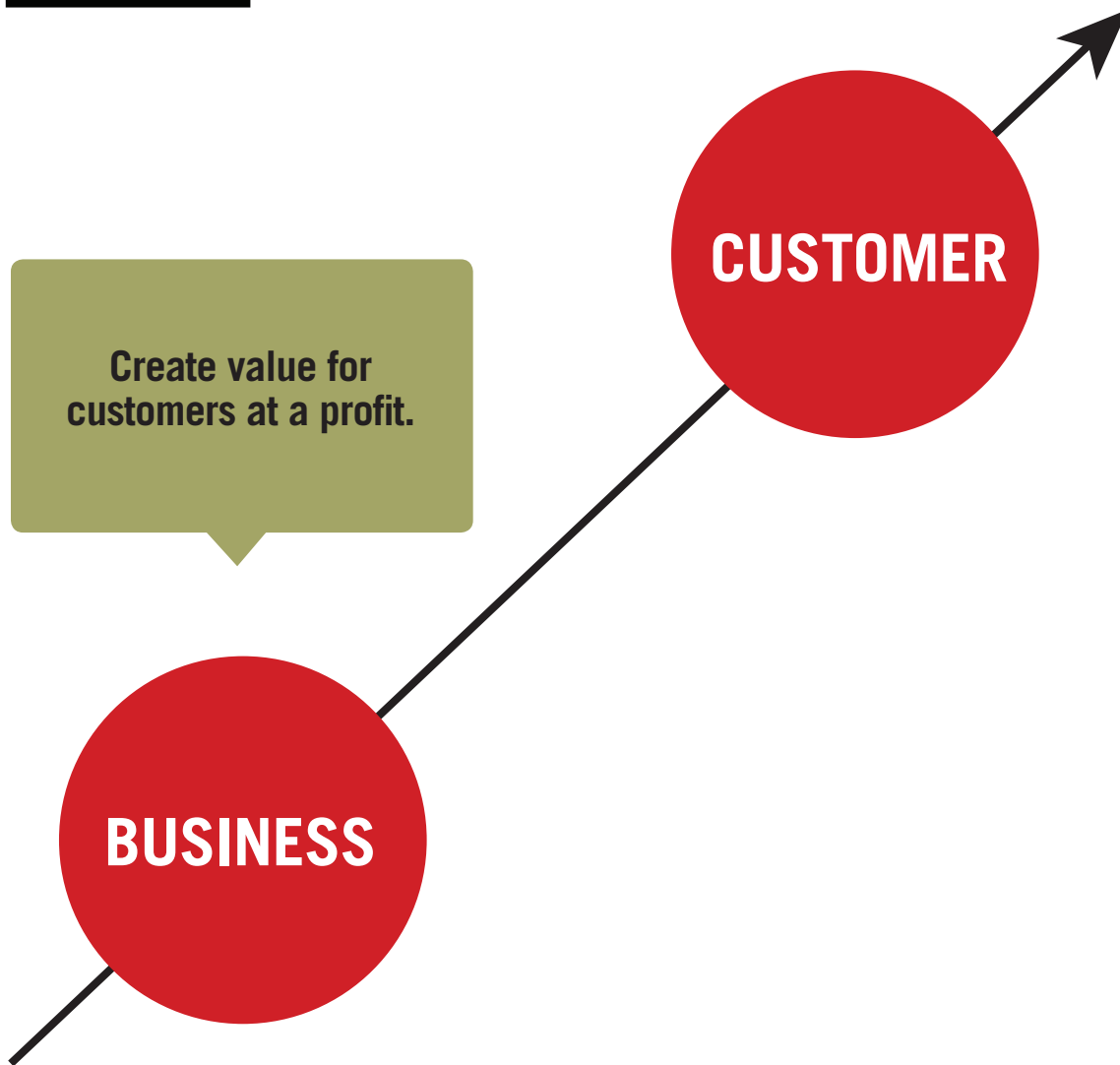
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Branding for Business Results.

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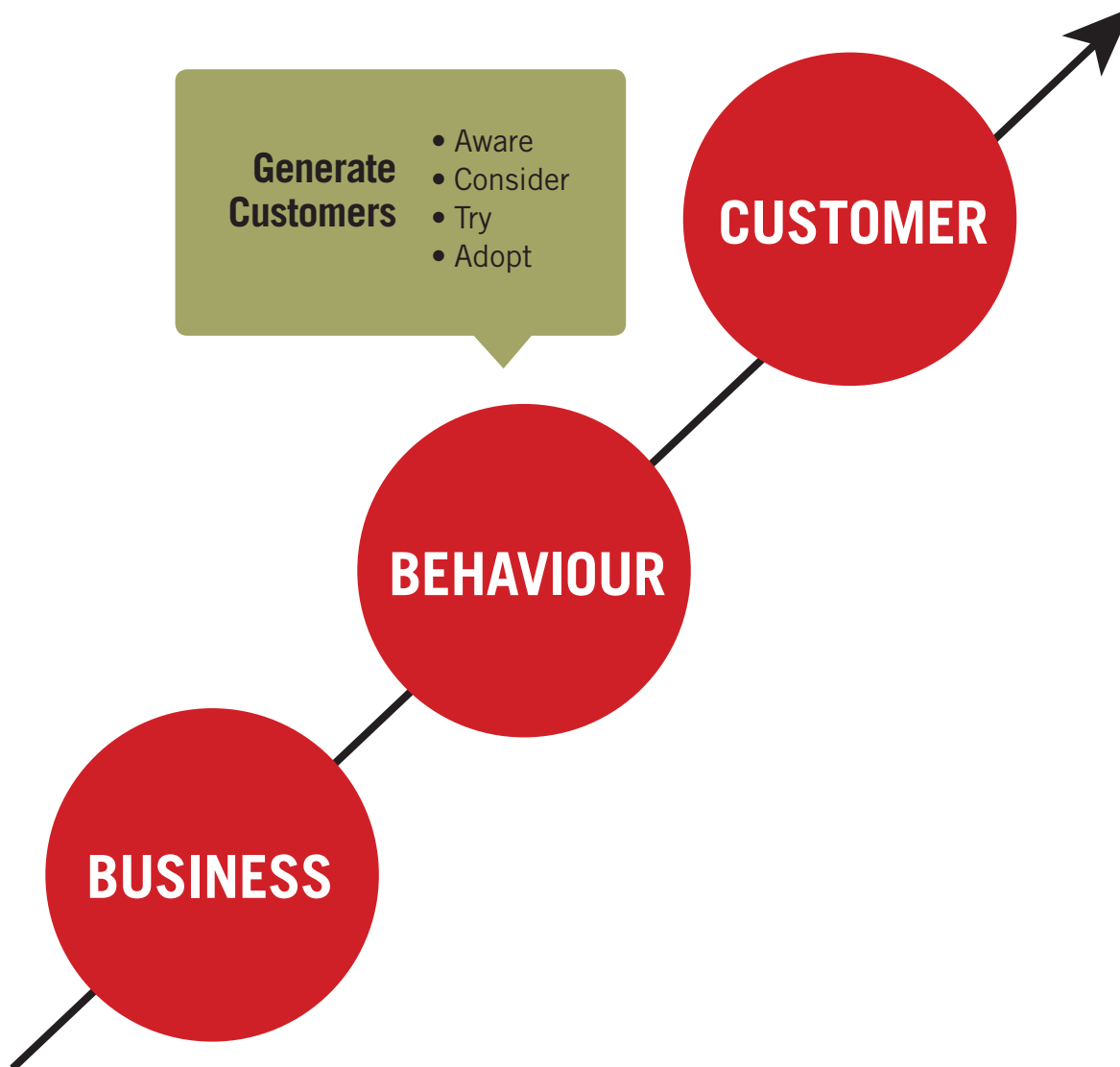


So, we have a business.

The idea behind business is at the other end are customers.

And the purpose of the business is to create values for these customers... greater value than they could create themselves.

And we want to provide greater value for the customer than it costs us to create that value, which leads to profit.

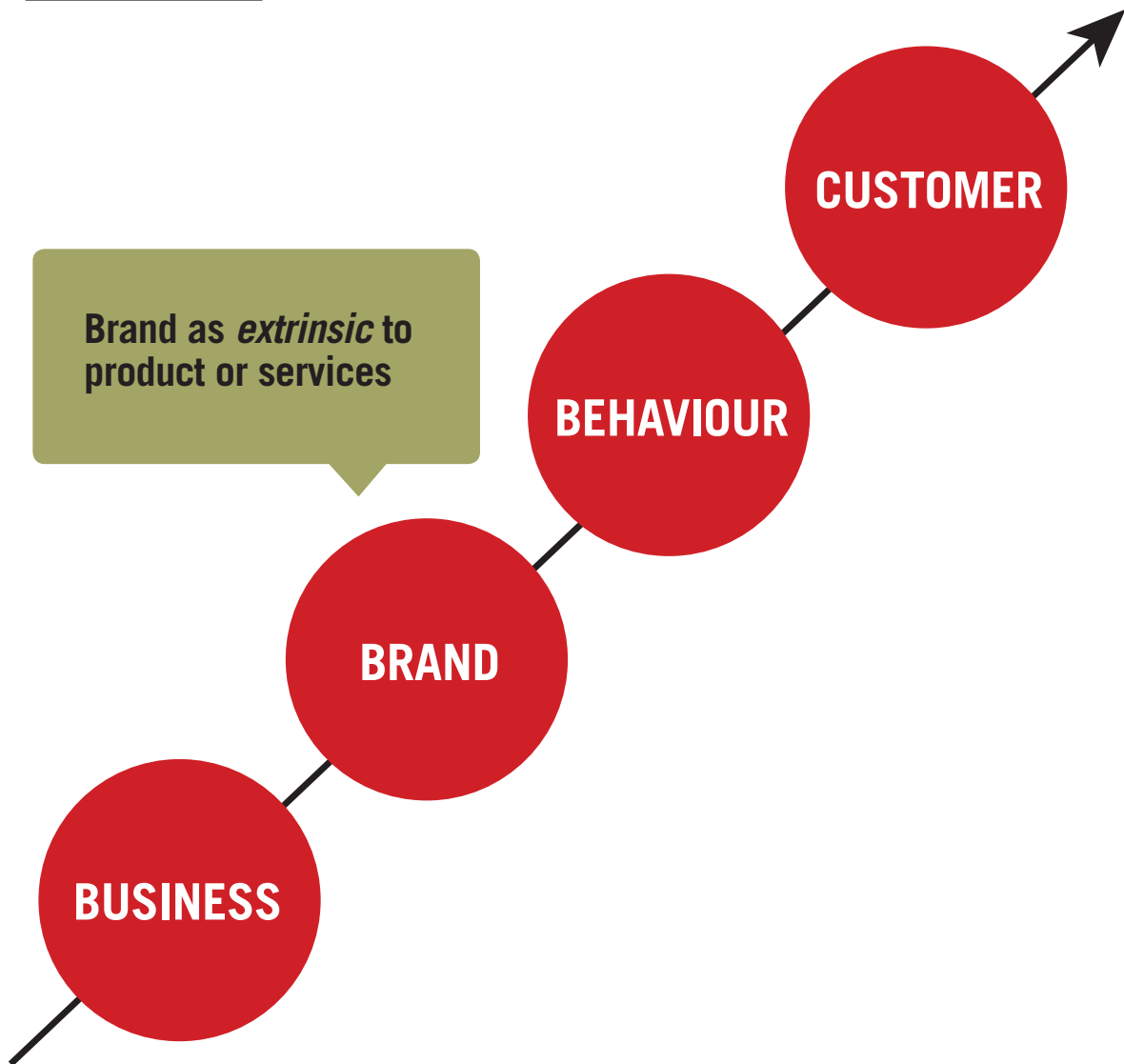


It's basically a make and sell equation here.

On the business side, we're making things.

On the customer side, we're trying to convert them from one level to the next.

And we do this by creating favorable conditions which result in cognitive and behavioural changes which move customers along the sales funnel.

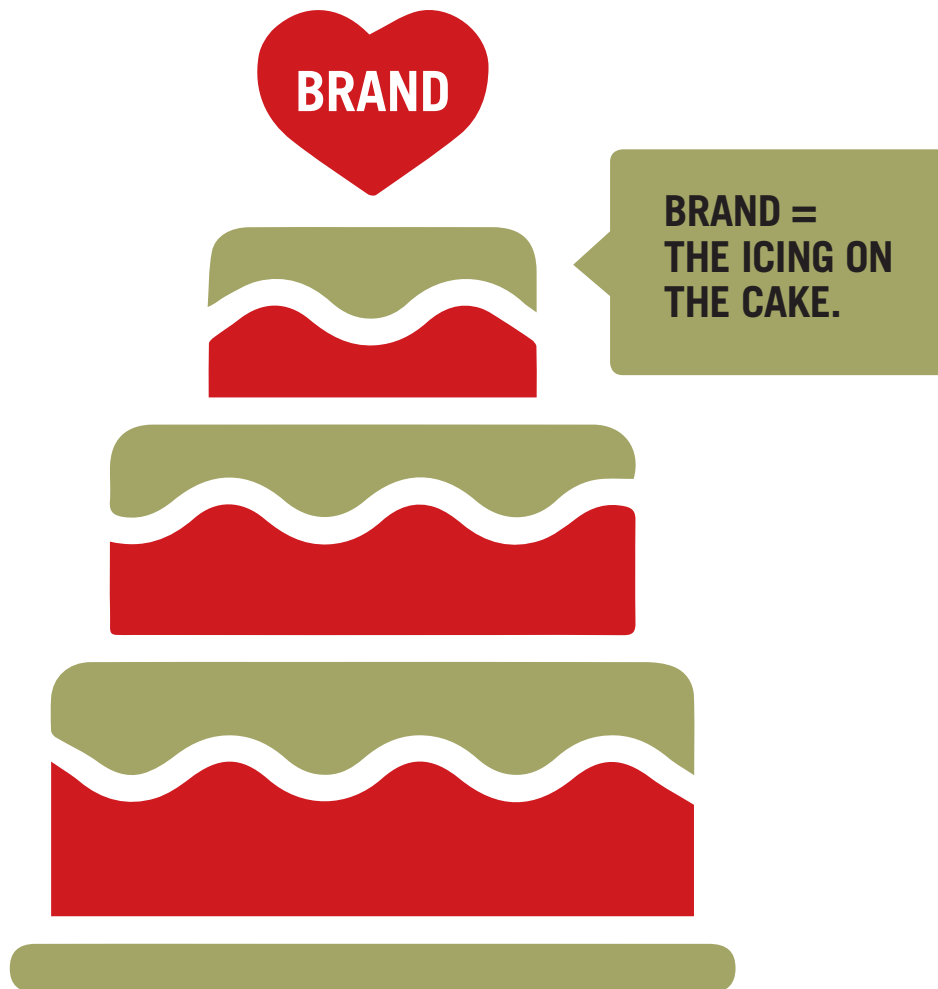


Create and continue to create.

This is what Peter Drucker refers to when he says the role of business is to create and to continue to create customers.

When it comes to branding, often organizations see the role of branding as something like this:

- We think of our products and services as having certain functional components
- New functions are added to increase product value in the competing market
- Some functions are modified, others are taken away
- But ultimately the main focus is on the products and services
- In this way, the brand is seen as extrinsic to the company's products and services



The icing on the cake.

Again, it's basically a make and sell equations here.

- You offer a product or service, the customer buys the product or service, and the brand is layered on top like the icing of the cake:
- It's something extra that you're giving to the customer
- A value add

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**RECOGNIZABLE
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A recognizable brand.

Let me illustrate this way:

Here we have two vodkas. They're the same vodka.

One has a recognizable logo on it, the other doesn't.

The belief is that the brand adds something extra. It's the icing on the cake.

The logo, the name, the image of what this product means... It's an extra something in the value equation. And it increases the profitability of the vodka.

The main focus, however, is on the product or service.

The brand simply assists in marketing that product or service.

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Brand Touchpoints.

For centuries, up until about 10 to 15 years ago, the two most dominant levers driving business were Efficiency and Effectiveness.

If we go back in time from around the Industrial Revolution to maybe 1950, the whole idea about business was **efficiency**. Think about the Ford Model T. Through innovation, Henry Ford increased efficiency resulting in lower production costs and the ability to sell vehicles at a substantially lower price than hundreds of his competitors. Efficiency meant if you had a lower price than your competitor, you won.

(See: Richard Koch. How Ford Created a Huge Market by Lowering its Prices, <https://www.entrepreneur.com/article/282218>).

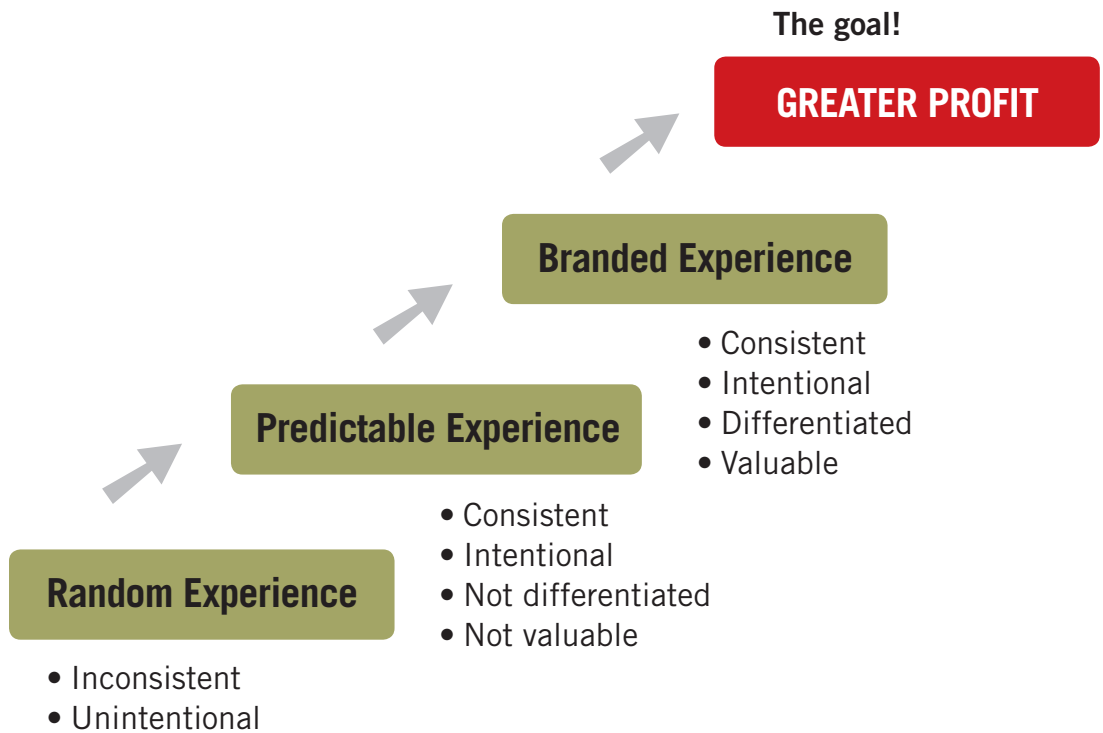
The next differentiator was **effectiveness**. Think about the razor blade. Originally the safety razor by Gillette was a single blade and the idea was that you wouldn't cut yourself with this new type of blade. The next big innovation was the second blade, one to lift the hair, the second to cut it off. Then it was the MACH3, three blades. If you had a more effective product with more features, you won.

But now, in industry after industry, whether it's computers or software or entertainment, whatever it might be, we don't often compete on levers of efficiency or effectiveness as much anymore. There are very few *dramatic* variations in price or product functions anymore that differentiate one company from another.

Increasingly, value is being created within the consumer, not within the product or service. The lever that differentiates companies and drives customer loyalty is the customer **experience**.



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Business is about designing and delivering DIFFERENTIATED EXPERIENCES.

The Branded Customer Experience.

Here are two important truths about branding for your business that you need to know:

Truth #1

Business is not so much about making and selling anymore.

It's really about designing and delivering differentiated experiences.

Think about customer interactions with your organization over the past 90 days...

- How enjoyable was it to do business with you?
- How easy was it to do business with you?
- How creatively did you meet their needs or provide them with a solution?
- How was interacting with your company different from all your competitors?

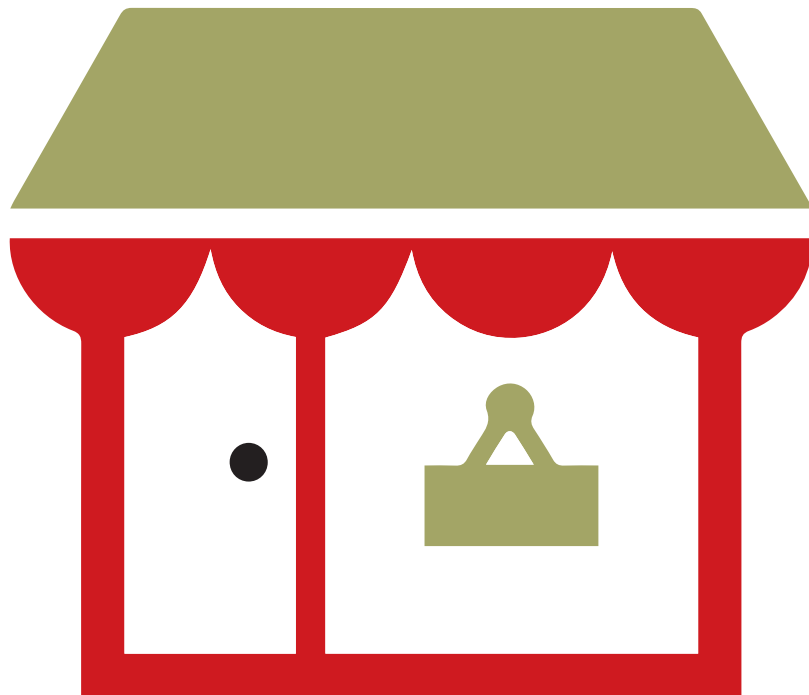
These are all examples of experiences the customer traverses at different touch points across your organization.

How well you deliver a differentiated experience is what creates brand loyalty.

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Branding = Business



Branding is not a marketing function. Branding is a business function.

Truth #2

Here is where many people get confused...

Branding is thought to be in the domain of marketing and communications.

However, the reality is:

Branding is not a marketing function. Branding is a business function.

Branding is actually an articulation of your business strategy.

The brand is not just the icing on the cake, it's the cake itself!

It makes up everything that's inside the cake!

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A **brand** is not really
a **product** or even a
service...

It's an **experience**
that **happens** over a
prolonged period of
time.

The experience.

A brand, then, is not really a product or even a service... it's an experience that happens over a prolonged period of time.

The role of management is to strategically align these business elements together in order to design and deliver a differentiated experience that people will not only come to expect, but something they will self-identify with.

Branding is about engaging with different business functions that marketing traditionally has not engaged with - operations, human resources, IT, suppliers.

And it's about those functions delivering the brand at numerous and varied touch points across the customer experience.

“A **brand** is a **living entity** and it is enriched or undermined cumulatively over time, the **product** of a thousand **small gestures.**”

Michael Eisner, former Disney CEO

A living entity.

“A brand is a living entity and it is enriched or undermined cumulatively over time, the product of a thousand small gestures.”

- Michael Eisner, former Disney CEO

Once you begin thinking of a brand this way, everything changes.

The brand is not an outcome, like designing a logo.

It's really the process itself.

- It's inside the organization.
- It fuels innovation.
- It drives your people's behavior who then deliver the customer experience.

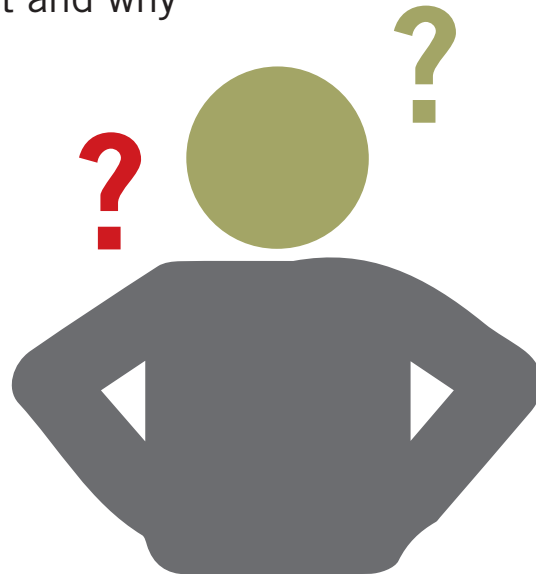
Branding is not something that the marketing department or agency engages in isolation.

It's really about the whole organization working together strategically to establish a differentiated experience over time.

3 Common Mistakes in Branding.

1. Lack of Brand Differentiation:

Don't know what you do best and why people should care.



Lack of Brand Differentiation.

Being different is not the same as differentiation.

By differentiation what we're really talking about is a difference that matters: **A difference that's relevant, that matters to your customers.**

It's about finding your voice in a sea of accents.

Not too long ago we took a company through our proprietary strategic branding process. The key message statement they were using to differentiate their brand was how innovative they were.

When we did our competitive analysis and validation research, what we discovered was that every single competitor within their market claimed to be innovative.

- Was it true? Were they all innovative?
Probably
- But did it differentiate them?
No

Let me give you a list of differentiators we often find organizations claim with great gusto:

- We put our clients first
- We strive for excellence
- We deliver outstanding customer service
- We have great people
- We're leaders in our field

Are these true? Probably.
Do they differentiate? No.

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3 Common Mistakes in Branding.

2. Brand Over Expansion:

Forget what you do best and what makes you different.



Brand Over Expansion.

In 1982 Colgate launched a line of frozen dinners with a huge marketing budget.

- They reasoned more and more consumers were looking for a fast cooking meal that was easy, delicious, and healthy
- Colgate identified their target market as single or widowed people who were conscious about their food, who liked to read magazines and listened to the radio in the car.
- They imaged their shoppers choosing Colgate over Lean Cuisine and Healthy Choice entrees.
- Colgate, a deep-pocketed company, invested in media outlets like *Glamour*, *Better Homes and Gardens*, and *Lifetime* channel
- They went heavily into cents-off coupons
- They blanketed the airwaves with messages on radio and TV

I'm not going to surprise you when I tell you that Colgate pulled the product off the shelves shortly after their big launch due to lack of sales.

It's important to remember what you do best, and what differentiators are anchored in the public mind about your company and your products or services.

3 Common Mistakes in Branding.

3. Branding by Default:

Field of Dreams Mindset



Branding by Default.

In early 1960 Alfred Heineken was touring one of his factories in the Caribbean country of Curacao. While there he was amazed at the amount of poverty, the lack of affordable housing materials, and especially the amount of garbage that was being casually discarded on the beaches. Most of the waste was beer bottles, including Heineken.

So Heineken went home and approached architect John Habraken with the idea of designing a re-usable bottle that could serve to make buildings.

What was born out of that was the Heineken WOBO bottle, or World Bottle.

While the bottle was an ingeniously progressive attempt at recycling and provided lower-income earners with affordable housing materials, the idea didn't really take off.

You see, you needed to drink an awful lot of beer to build a simple structure. Approximately 1,000 WOBOs are needed to construct a 10x10 foot building. That's a lot of beer!

The problem was that Heineken thought people would flock to this product simply because he believed it was such a great idea. In a similar way, some businesses believe they don't need a brand strategy, they just open their doors and people will flock to them because they have such a great product or service.

We encounter a lot of organizations that believe investing in branding is something of a marketing luxury:

- It's something they will do in the future when they have the resources
- Right now they are focusing on their product and service and sales
- They want a logo and a website and some brochures because they believe once their product is out there, people will want it and their brand will build by default.

They see branding as a marketing function rather than understanding it is an essential business function.

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Case Study.

Pampers Case Study.

In 2001, Pampers was the largest single brand for P&G. It was a \$3.4 billion brand for the company. The problem was, in 2002 sales were beginning to decline at an accelerated pace and it was becoming a drag on the earnings of P&G overall. Huggies had now become the number one brand in the US, the home market for Pampers, so this loss was very, very painful for the company. Stockholders and others were asking P&G to spin it off and cut the bleeding.

Dial forward 10 years to 2010. Pampers was now a \$10 billion brand and one of the strongest for P&G. And it happened entirely through organic growth.

They tried to figure out what drives mothers, not just to buy diapers, but in general. Especially first-time mothers, because that's when they make their decision about diapers and then typically stay brand-loyal.

- Was it just about price?
- Were they too expensive compared to Huggies?

No, it wasn't just about price. The key consumer insight was that for a mother or a parent, what was most important was their baby's health, their baby's development...

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Case Study.

Pampers Case Study.

Well, for Pampers and their competition, their branding had been all about dryness.

Having a dry baby is an important thing, but it wasn't the most important thing top of mind for a mother. Baby Development was.

But how does dryness help baby development?

Well, it turns out Pampers did studies and discovered dryness helps baby's sleep.

So if baby sleeps, that's when the baby develops it's mind and muscles.

And of course, the parents get a bit of extra rest as well.

So Pampers turned that into the foundation of their brand.

- They went away from dryness to better sleep.
- And that was a fundamental change.

It was a change that didn't simply affect their slogan, it affected the whole brand culture...



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Case Study.

Pampers Case Study.

Before the change Pampers was a very male dominated engineering culture. Imagine people in white labcoats focusing on dryness and dryness metrics, focusing on product attributes.

There were very few women, comparatively speaking to other P&G brands, working for Pampers, which is a bit surprising.

Their new headquarters became more baby and mother friendly, the colors were pink and apricot and the parking spaces close to the building were reserved for expecting mothers.

The key metrics by which to evaluate the quality of the products went from dryness to better sleep. The values of the brand were aligned with the values of a parent.

They hired people who had a passion for babies. Even if you were in finance or production, if you didn't have a passion for babies, there are lots of other brands with the P&G family you might qualify for, but not Pampers.

They also realigned their corporate social responsibility, working with UNICEF in the area of baby development and keeping babies healthy.



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Case Study.

Pampers Case Study.

They moved into better wipes. Into better products for developmental stages. And they built a very different relationship with mothers.

Mothers don't typically get together sipping lattes discussing which brand has the driest diaper. Dryness is just a product attribute. What mother's talk about is their baby's well-being.

So P&G launched *Pampers Village*, where expectant mothers could gain information about their pregnancy, learn about baby development and practical matters like how to optimally supply their diaper bags.

Literally, anything that had to do with baby development was now a fair territory for Pampers to compete in.

So everything changed for Pampers, and it was driven by a core consumer insight.

An insight which became the purpose of the brand and motivated the brand from the inside out, creating a differentiated experience for parents across time that made them brand loyal.

In fact, it made Pampers such a huge success it actually resulted in Huggies pulling out of European markets with their lower cost diaper because Pampers had taken over and dominated the minds of customers.

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Thank you.

Thank you for allowing Bradbury to present this information to you.

And on behalf of all of us at the company, we wish you the very best.

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Who we are.

BRADBURY BRAND + DESIGN EXPERTS

Bradbury Brand + Design Experts is a branding, marketing, and communications firm headquartered in Regina, SK.

In business for 28 years, Bradbury specializes in brand strategy, design and marketing using the latest processes, technologies and media platforms to help their clients succeed in meeting their dreams and goals.

For a free brand review, contact us at 306-999-3734 or visit our website at www.bradburybrandexperts.com.